
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.21.2010

Wall Street Journal: "Paulson Confronts Goldman Fallout ... John Paulson hasn't been accused of any wrongdoing. But the hedge-fund billionaire has gone on the offensive to reassure investors that his huge firm will emerge unscathed from a case that has drawn him into a political and legal vortex."

Wall Street Journal: "Debt 'Masking' Under Fire ... The Securities and Exchange Commission is considering new rules that would prevent financial firms from masking the risks they take by temporarily lowering their debt levels before quarterly reports to the public are due."

Wall Street Journal: "IMF Warns of Threats to Recovery ... The global economic recovery is taking off faster than expected, but the International Monetary Fund warned Wednesday that many advanced economies could be left behind if they don't address the lingering financial-sector weakness and growing concerns about public debt."

Wall Street Journal: "New Senate Push on Bank-Rules Bill ... Republicans and Democrats worked Tuesday to avoid a clash in the Senate over legislation designed to overhaul the nation's financial regulations, but the prospects for a bipartisan deal remained uncertain."

Wall Street Journal: "IMF to Nations: Tax Finance Firms ... The International Monetary Fund advised Group-of-20 nations to tax balance sheets, profits and compensation of financial institutions to reduce the chances of another financial crisis, and pay for the costs if one occurs."

Wall Street Journal: "Fed's Plosser Supports Ending Emergency-Lending Power ... The president of the Philadelphia Fed wants to end the emergency lending powers most central bankers think were key to fixing financial markets during the darkest days of the market meltdown."

Wall Street Journal: "As Lehman Fell, Fed Recruited SEC Officials ... In the fall of 2008 as the Federal Reserve Board took on oversight of investment-banking firms, the Board in Washington and New York Fed sought to hire Securities and Exchange Commission officials with more direct knowledge of how those firms operate."

Wall Street Journal: "Bank of Canada's Rate-Increase Signals May Provide Lessons for Fed ... The Bank of Canada signaled it could raise interest rates as soon as June, in a surprise shift in stance that underscores how Canada has pulled ahead of peers like the U.S. in its economic recovery."

Wall Street Journal: "Son of Sarbox ... Our postpartisan President came out swinging this weekend at Senate Minority Leader Mitch McConnell, claiming in his now familiar ad hominem fashion that the Republican had decided to oppose the Democratic financial reform bill only after meeting with bankers."

Wall Street Journal: "Bankruptcy Reform Will Limit Bailouts ... The volcanic language coming out of Washington suggests there are only two choices with financial reform: Cram down Sen. Chris Dodd's bill over Republican opposition, or stop the bill in its tracks."

Wall Street Journal: "Clearinghouses Are the Answer ... In September 1998, I travelled to Greenwich, Conn., to meet with Long-Term Capital Management, which was on the brink of failure."

Washington Post: "Once critical of financial regulation bill, Republicans change their tone ... Key Senate Republicans on Tuesday began to back away from their sharp criticism of proposed new financial regulations and expressed optimism that a bipartisan deal on a bill that would drastically change the way Wall Street operates could emerge in the coming days."

Washington Post: "IMF proposes tax on financial industry as economic safeguard ... The International Monetary Fund has proposed a set of broad taxes on the financial industry to guard against future crises, and the levies that would target "excess" profits and compensation as well as raise hundreds of billions of dollars in the United States alone."

Washington Post: "Goldman mounts defense on SEC charges, saying clients knew its products well ... In legal lingo, it's called the "big boys defense."

Washington Post: "In SEC vs. Goldman, who's really at fault? ... Let's stipulate that there's a problem with the power of Goldman Sachs."

Washington Post: "Hope rises for real financial reform ... The Goldman Sachs scandal has done the unthinkable: It's made it possible that legislation reining in Wall Street's casino may actually be enacted."

NY Times: "Questions for Banks That Put Together Deals ... They were the black boxes of the subprime era, byzantine creations of the brightest minds on Wall Street that made - and then lost - vast fortunes."

NY Times: "Financial Debate Renews Scrutiny on Banks' Size ... One question has vexed the Obama administration and Congress since the start of the financial crisis: how to prevent big bank bailouts."

NY Times: "Our \$48 Billion Credit Card Bill ... THESE days, it's hard to find anyone who doesn't use credit and debit cards regularly - they're convenient and compact and often come with small cash-back incentives."

LA Times: "SEC is looking into accounting at 19 biggest banks ... The head of the Securities and Exchange Commission on Tuesday pledged better oversight of the nation's largest banks after criticism that the agency failed to spot accounting tricks at investment bank Lehman Bros. before it collapsed."

USA Today: "Homeowners can get second mortgages adjusted, too ... The Obama administration's initiative to help homeowners obtain modifications of second mortgages is getting off the ground."

USA Today: "Our view on investment banking: Goldman case shows what's wrong with Wall Street ... One of the most interesting tales of the financial crisis is the small group of investors who saw it coming. They saw home buyers taking on too much debt and predatory lenders enabling them to do it. They saw toxic mortgages being separated from the lenders who issued them and bundled into complex financial instruments. And they saw clueless and conflicted ratings agencies bless these instruments with AAA ratings."

Washington Times: "Lehman fiasco fuels Obama bill debate ... A probe of one of Wall Street's biggest failures has become a proxy battle in the congressional fight that could decide the fate of President Obama's push to overhaul the nation's financial regulatory system."

Bloomberg: "Goldman Sachs SEC Fraud Lawsuit Makes My Eyes Burn: Ben Stein ... Now for a few words about Goldman Sachs Group Inc. and the Securities and Exchange Commission complaint that accuses the firm and one of its young guns of fraud for constructing a synthetic housing-market bond that was sure to fail, selling it to a valued customer who specifically didn't want that type of bond, conspiring with a short seller of bonds to create a vehicle for his firm to make money from the security and tricking a rating firm into approving it."

Bloomberg: "Republicans Signal Thaw in Battle Over Financial-Rules Bill ... Senate Democrats and Republicans signaled they were nearing a compromise on an overhaul of financial-industry regulation even as they continued to face obstacles over derivatives and a consumer-protection agency."

Politico: "Senate Agriculture Committee turns pitchforks on Wall Street ... Two years ago this spring - months before the world woke up to credit default swaps and AIG's meltdown - American agriculture was already feeling the downside of Wall Street's love affair with derivatives."

Politico: "Lessons of Lehman's failure ... A hearing ostensibly called Tuesday to investigate the 2008 failure of Lehman Bros. became much more about the prospects for new financial reform legislation in 2010."

The Hill: "Bank lobbying soars in 2010 as Senate moves on financial reform ... Big banks boosted their lobbying firepower in the beginning of 2010, with some doubling their spending as the Senate moved closer to voting on new financial regulations."

The Hill: "Democrats resume serious talks with GOP on Wall Street reform ... Senate Republican Leader Mitch McConnell (R-Ky.) said Tuesday that bipartisan negotiations have resumed on Wall Street reform."